

The Federation of Abbey Schools Academy Trust

Audit & Finance Committee

Minutes

Date & Time: 5.50 pm on Thursday 12th March 2020

Present Governors: Dr L Bryant, Mr M Fryer, Mrs R Hall and Mr P M Willson.

Also in Attendance: Mr J Briggs, Mrs C Hurworth (Avec) and Mrs L Hawksby (Clerk to the Governing Body).

<u>ITEM</u>	<u>DESCRIPTION OF DISCUSSION</u>	<u>ACTION BY</u>
	<p>Note: Employees of the Trust are not involved in audit matters, considerations or recommendations, however the Accounting Officer and Chief Financial Officer (Head Teacher) attends to provide information and participate in the discussions.</p> <p><u>Director P. Willson chaired the meeting until Dr L Bryant arrived.</u></p>	
1.	<p>Apologies for Absence</p> <p>There were no apologies for absence for the meeting.</p>	
2.	<p>Notification of Items of Other Business</p> <p>There was one item of other business:</p> <p>Project management support of potential projects (Minute 5 below refers).</p>	
3.	<p>Declarations of Interests:</p> <p>Declaration of personal or pecuniary interests in any matters arising from the Agenda of the current meeting.</p> <p>There were no declarations of personal or pecuniary interests declared.</p> <p>Declaration of any updates for the Register of Business Interests.</p> <p>There were no updates for the Register of Business Interests.</p>	

<p>4.</p>	<p>Approval of Minutes</p> <p>a) Approval of Minutes – Wednesday 6th November 2019</p> <p>RESOLVED:</p> <p>That the Minutes of the meetings of the Committee held on Wednesday 6th November 2019 be approved as an accurate record.</p> <p>b) Matters Arising –</p> <p>There were no matters arising.</p>	
<p>STANDING ITEMS OF THE COMMITTEE: SPRINGTERM (Items 5 - 15)</p>		
<p>5.</p>	<p><u>Dr L Bryant in the Chair</u></p> <p>Financial monitoring: Budget /Management Accounts/Cash flow</p> <p>Mrs C Hurworth (Avec) reported on the financial position and actual performance against the approved 2019/20 budget and the forecast year end position for both revenue and capital budgets. The Directors noted everything was on track, with a small deficit of £4,000 with no major concerns. The deficit had been largely due to the higher 2019/20 teacher pay award of 2.75%. The overall projected outturn for 2019/20 remains a balanced budget.</p> <p>Other key areas of financial performance such as debtors, creditors and the cashflow forecast were also noted to be in a positive position.</p> <p>Mrs Hurworth advised that that the medium term financial plan (MFTP), submitted to the ESFA in the Summer term 2019 , had shown a breakeven position for 2019/20 and 2020/21 and an in year deficit position for 2021/22. However since then she updated the Committee that the Government had announced a significant increase in school funding, which would have a positive impact for the school. The Teachers’ Pay Grant had increased and was confirmed until 31st August 2021 and the Teachers’ Pension Grant had also been increased and been confirmed until the 31st March 2023. School allocations for 2020/21 were also set to increase.</p> <p>She also advised of the following budget pressures which may have a negative impact on the medium term financial plan including:</p>	

	<ul style="list-style-type: none"> • Increase in staff sickness, which will increase staff supply costs • Before and After School Club numbers reduction • Unforeseen capital expenditure such as building repairs • Assumptions in relation to support staff pay may prove to be incorrect (note: from 1st April 2020 are forecast at 2.75%) • SEN funding is withdrawn from pupils or they move to specialist provision. <p>With the permission of the Chair, it was agreed to consider at this point in the meeting, an item of any other business (Minute 2 above refers) in relation to the possible project management of potential improvement projects within the school. These included: improvements to the fire alarm system, installation of a new door access system, installation of a new door access system, installation of LED lighting, repairs/replacement of fire doors, asbestos demolition survey and redecoration works. It was noted that if approved these would be funded from capital grants or from reserves. The School is also currently awaiting the outcome of the two CIF bids (due April 2020) for the replacement of the Infants' and Juniors' boilers. After careful consideration the Committee agreed to the principle of employing the services of a project management company to oversee these potential schemes, subject to obtaining quotes and recommendations which would then be further considered by the Board.</p> <p>RESOLVED:</p> <p>a) That the following be noted:</p> <ul style="list-style-type: none"> • The 2019/20 revenue budget forecast position. • The 2019/20 capital position. • The reserves position. • Budget pressures which may have a negative impact on the medium term financial plan. <p>b) That the principle of employing the services of a project management company to oversee potential improvement schemes be approved, subject to obtaining quotes and recommendations which would then be further considered by the Board.</p> <p>(Note: Mrs C Hurworth left the meeting after presentation of her report at 6.05 pm.)</p>	
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<p>6.</p>	<p>Discuss the recommendations and outputs of any assurance activities by third parties, including ESFA financial management and governance reviews, funding audits and investigations</p> <p>It was noted that this was a new item added to the Committees' terms of reference as part of its new additional audit functions. The Committee noted that there had been no recommendations or outputs of any assurance activities by third parties during the current period to report upon.</p> <p>RESOLVED:</p> <p>That the report be noted.</p>	
<p>7.</p>	<p>Review and consider the annual audited accounts and discuss the result of the accounting officer's statement of regularity.</p> <p>This was a new item added to the Committees' terms of reference as part of its new additional audit functions. The Committee considered the annual audited accounts and the Accounting Officers' statement of regularity.</p> <p>RESOLVED:</p> <p>That there were no areas of concern to comment on or note.</p>	
<p>8.</p>	<p>Review the trust's Autumn Census returns to ensure they are accurate and compliant with the funding criteria. (To be distributed at the meeting.)</p> <p>This was a new item added to the Committees' terms of reference as part of its new additional audit functions. The School's Spring 2020 census collection for both the Infants' and Juniors was circulated at the meeting. It was noted that all relevant data had been duly submitted to the Department for Education.</p> <p>RESOLVED:</p> <p>That Spring 2020 census be noted for both the Infants and Juniors, and that they had been submitted accurately using the school's information systems and compliant with the funding criteria.</p>	
<p>9.</p>	<p>Review the trust's land and building collection tool (LBCT) to ensure it is compliant with funding criteria.</p> <p>This was a new item added to the Committees' terms of reference as part of its new audit function. The Head Teacher advised that this had been duly submitted to the ESFA (Education and Skills Funding Agency) and was compliant with the funding criteria.</p>	

<p>10.</p>	<p>RESOLVED:</p> <p>That the report be noted.</p> <p>Reports: Internal Assurance</p> <p>The Committee considered the school’s auditors report from Clive Owen LLP Chartered Accountants and Business Advisors. It was noted that recommendations from the previous visit had all been addressed.</p> <p>Reviewed areas on this visit included:-</p> <ul style="list-style-type: none"> • Regularity & Compliance • Budget Reporting • Financial Management • Other issues – Financial Procedures Manual. <p>The key recommendation from this visit related to the completion of a pecuniary business interest register for all senior members of staff with procurement authority. This had now been completed and was published on the school web-site.</p> <p>RESOLVED:</p> <p>That the report be noted.</p>	
<p>11.</p>	<p>Premises Report (Including maintenance & planning issues.)</p> <p>The Head Teacher presented the premises report covering the period from December 2019 to March 2020. Included within the report were expenditure items with indicative costs, as listed at Minute 5 above, in relation to potential improvement schemes.</p> <p>RESOLVED:</p> <p>That the report be noted</p>	
<p>12.</p>	<p>Report from Human Resources</p> <p>The Head Teacher updated the Committee for the period between November 2019 to March 2020 with regards to:</p> <ul style="list-style-type: none"> • Staff that had left • New appointments • Maternity leave • Changes to contracts <p>It was noted there was no long term sickness to report.</p>	

<p>CQ</p>	<p>The Head Teacher advised there were two teaching assistant apprentices due to start in the school shortly. The Committee questioned whether they were accounted for in the current budget and the Head Teacher advised not at the present but were due to be added.</p> <p>RESOLVED:</p> <p>That the report be noted.</p>	
<p>13.</p>	<p>Service Level Agreements</p> <p>A list of the Service Level Agreements (SLA's) and their costings were presented to the Committee.</p>	
<p>CQ</p>	<p>The Committee questioned whether the Behaviour Support figure was in the correct column and sought further information with regards to the total cost of those SLA's that had not yet required any payment ? The Head Teacher advised that he would forward this information to the Directors.</p> <p>RESOLVED:</p> <p>That the report be noted and the further requested information be circulated to the Directors.</p>	<p><i>Head Teacher</i></p>
<p>14.</p>	<p>Risk Register</p> <p>The Committee were advised that a number of small updates had been made to the Risk Register following its termly review cycle by both the Leadership & Management and Teaching & Learning Committees. There were no major changes to report.</p>	
<p>CQ</p>	<p>Following consideration of the risk matrix the Audit & Finance Committee questioned why risk 12.1 'School buildings inoperable due to flood/fire/collapse' was listed on the matrix under likelihood of occurrence as within the next 3 to 12 months? It was agreed that it would be more appropriate to move it to 'within 3 to 5 years' section.</p> <p>It was also discussed whether the emerging Coronavirus situation should be added to the Risk Register and it was agreed that this should be looked at the next Board meeting scheduled for the 30th March 2020.</p> <p>RESOLVED:</p> <p>a) That Risk 12.1 be moved on the matrix to within the '3 to 5 years' section.</p> <p>b) That consideration be given at the next Board meeting on the 30th March to include the Coronavirus in the Risk Register.</p>	<p><i>Clerk</i></p> <p><i>Directors</i></p>

<p>15.</p>	<p>To Review the School Staffing Structure and initial budget plans for the next Academic Year.</p> <p>The Head Teacher advised there were no major budget implications for the next academic year with regards to the school staffing structure.</p> <p>RESOLVED:</p> <p>That the report be noted.</p>	
<p>16.</p>	<p>Charging and Remissions (Lettings of the Premises.)</p> <p>Consideration was given to the Charging and Remissions (Lettings of the Premises) agreement.</p> <p>RESOLVED:</p> <p>That the Charging and Remissions (Lettings of the Premises) be approved.</p>	
<p>17.</p>	<p>Agenda Items for the Next Meeting :</p> <p>Standing Items:-</p> <ul style="list-style-type: none"> • Financial monitoring: Budget /Management Accounts/Cash flow/Setting the next budget (Including 3 year forecast). • Discuss the recommendations and outputs of any assurance activities by third parties, including ESFA financial management and governance reviews, funding audits and investigations. • Agree the Committee's annual audit report to the Board of trustees and accounting officer to be submitted to the EFSA by 31st December each year when the audited annual accounts are submitted. • Advise on the content of the governance statement to be presented alongside the finalised accounts. • Review of last years' external audit and review actions in response to audit • Review the trust's Spring Census returns to ensure they are accurate and compliant with the funding criteria (note already completed Minute 8 above refers.) • Annual report of insurance arrangements. • Service Level Agreements. • Risk Register (including Finance Committee's own delegated risks for review) • Review and challenge the internal and external audit strategy and consider the committees' own effectiveness. 	<p><i>Clerk</i></p>

